

Pratt, Kutzke & Associates, LLP



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New Beginnings: Part II

Before we delve into the markets, we would like to briefly depart from our typical format to share some news. You may notice the title of this newsletter is *New Beginnings: Part II* — our firm has been blessed with multiple ‘new beginnings’ recently. On March 27th, Bryan Pratt and his wife, Kari, welcomed a baby girl, Leila Isabelle, into their family. Just two days later, Melissa Mackie (from our Mankato office team), and her husband, Jeff, welcomed a baby girl, Makayla Ann. We are incredibly excited for the two new additions to the PKA family and wish to congratulate both couples.

As we continue to discuss new beginnings, the theme has been one of hope this last quarter. It began with a historical inauguration and quickly moved into the passage of a massive stimulus package. The government has continued to take multiple steps to address the country’s economic ails. While there is much scrutiny and disagreement over Washington’s actions, the bulk of the initiatives are appearing to make progress towards addressing the primary economic challenges.

After a slight recovery in December, the market took another drastic turn south; reaching a low point on March 9th. Fortunately, the weeks that followed saw a surge upward, erasing most of the losses from the prior month. We now end the quarter with the S&P 500 down 11.67% from the start of the year, but 16.75% above those March 9th lows and with the wind seemingly at our back for the first time in over a year.

The economy is beginning to show positive signs. The Public-Private Investment Program announced by the treasury seems to have gained approval from Wall Street. In February, new home sales went up by 4.7% and resales rose 5.1%. Conventional mortgage rates have reached all-time lows, spurring a wave of refinancing that, in many cases, will give consumers a welcome boost in cash flow. The tax credit passed as part of the American Recovery and Reinvestment Act will take effect April 1st, delivering further relief.

Americans may be learning from the recent turmoil. For the first time in years, personal savings rates have risen. If we, as a nation, can begin to be more fiscally responsible, it will save future generations from enduring similar economic catastrophes.

As always, please contact us if you have any questions, comments, or concerns.

Regards,

The PKA Team

Market Update

A quick glimpse at the market performance for the first quarter of 2009:

	Q1	YTD
DOW:	-13.30%	-13.30%
NASDAQ:	-3.07%	-3.07%
S & P 500:	-11.67%	-11.67%

IRA Contributions

All 2008 IRA and Roth IRA contributions must be deposited by April 15, 2009. Please make sure all checks are received at our office by Friday, April 10th to ensure they are deposited in time.

PKA News

Our Twin Cities office will be moving! Building has commenced on our new office property in Mendota Heights. If all goes as scheduled, we will make the move in mid-July.

Google Finance is the source for any reference to the performance of an index between two specific points. Past performance does not guarantee future results.

Personal savings rate data from bea.gov - Home sales figures from washingtonpost.com
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